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Mr. Bolton

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A report to Mr. Filene



Edward A. Filene, famed Boston merchant, philanthropist, and economic prophet, is recognized as the founder of the modern credit union movement. Beginning in 1909, Mr. Filene gave leadership, energy and over a million dollars of his own funds to establishing credit unions in the United States.

Among his great contributions to credit union development, Mr. Filene participated in 1935 in the formation of CUNA Mutual Insurance Society as the insurance affiliate of the organized credit union movement. He made a personal loan of \$25,000 to get CUNA Mutual started, served as first president of the Society's Board of Directors, and was CUNA Mutual's first policyowner.

Mr. Filene died in 1937. In the 30 years since that time, the progress of credit union people and their insurance Society has fulfilled the purpose and predictions of Mr. Filene with great accuracy. This is reflected in the facts and figures of this 1967 Annual Report of CUNA Mutual and CUMIS Insurance Societies.

"We must have a financing of the people, by the people and for the people if modern industry is not to be hindered from serving and enriching all the people as they have never before been served and enriched." —

Edward A. Filene



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HIGHLIGHTS OF 1967

CUNA Mutual's insurance in force neared the \$12 billion mark with an increase of \$938 million.

Coverage at the end of 1967 totaled \$11,861,578,293.

Canadian coverage of CUNA Mutual totaled \$1,559,820,780 at year-end, an increase of \$136,592,725 for the year.

Service growth in overseas areas continued with a 19 percent increase over 1966 in Loan Protection and Life Savings contracts issued.

Coverage of the International Department passed the \$91 million mark in 34 countries being served.

Claims and other benefits paid and incurred by CUNA Mutual on behalf of 88,992 deceased and disabled credit union members totaled \$67,674,591 — an increase of 7,541 claims and \$6.9 million over 1966.

New service programs gained rapid acceptance. The new "Credit Union Package of Protection" was adopted by 970 credit unions and the new CUMIS Bond by over a thousand credit unions.

The Field Operations and Agency Departments had record sales increases.

Premiums written by CUMIS Insurance Society, CUNA Mutual's property and casualty affiliate, exceeded the million dollar mark, more than double the 1966 total, and service was inaugurated in Australia and Fiji.

United States and Canadian Credit Union Leagues participating in CUNA Mutual's League Assistance Program organized 393 new credit unions during the year, bringing the total organized under the program to more than one thousand.

The CUNA Mutual Board of Directors recommended to policyowners for vote in the 1968 Biennial General Election that the Board membership be increased from the present 10 to 15 members to permit broader policyowner representation.

The Board of Directors approved changes in the Policyowners' Representatives Program designed to give policyowner credit unions and leagues a greater voice in the Society's affairs.

Actual examples of the wide variety of ways in which credit unions are serving people throughout the world are featured in CUNA Mutual's 1968 calendar, "Great Stories of Credit Union Service." Sister Gabriella, the Maryknoll nun who pioneered the credit union movement in Korea, is shown with Carlos Matos, CUNA Mutual vice president of international operations, viewing a panel depicting her role in bringing credit unions to Korea.



A report to Mr. Filene

On behalf of our policyowners everywhere we would like to dedicate this 32nd annual report of CUNA Mutual Insurance Society to the man whose vision and leadership made credit union service a reality in our modern world.

Edward A. Filene believed more than a half century ago that the total population could and must share in the benefits of economic progress not only for its own good but for the welfare of the national economy. He was also convinced that the people themselves could demonstrate how this could be accomplished through cooperation in their own credit union institutions to meet personal economic problems.

Mr. Filene was considered a visionary by many of his contemporaries when he first advocated his theories.

Today, only 30 years since his death, he is widely recognized as an economic prophet not only in his own nation but throughout many other nations of the Free World.

The reasons are obvious. Collectively, the individual consumer has become the most important factor in the economy of the United States, Canada and many other nations in which people still have the freedom of choice and action.

And the credit union movement that he envisioned and planned as the instrument to implement and prove his theories now counts its members by the many millions and their collective resources by many billions of dollars. More important, it has become the proven pathway to greater economic progress and security for many millions of families in the United States and Canada, and a beacon of hope and understanding for the people of many other nations in our fast-changing and troubled world.

This is why we are very proud of the fact that CUNA Mutual was created by Mr. Filene and his pioneer colleagues as an integral part of their plan for building a great credit union movement. We are equally proud of the manner in which CUNA Mutual has measured up to their great principles and great expectations.

There is, we believe, ample proof of this in the facts, figures, policies and programs included in this 1967 annual report. As one of the most progressive and successful business leaders of his era, we are confident that Mr. Filene would review the financial growth of CUNA Mutual with great personal pride and satisfaction.

By the end of 1967, CUNA Mutual's total of insurance in force had reached \$11,861,578,293 and its annual growth in coverage for four consecutive years had been above or near the one billion dollar mark. Even though coverage growth was slowed during 1967 by general economic conditions that reduced borrowing by credit union members, the coverage increase for the year was near the billion dollar level . . . \$938,000,000. Coverage growth in 1966 amounted to a record \$1,195,000,000.

There are other measures of the Society's continued financial growth. Premium income for the year totaled \$89,329,255, an increase of \$7,186,574 over the 1966 total, and assets amounted to \$68,203,920 at year-end, an increase of \$6,002,000 over the total at the end of 1966.

However, because Mr. Filene believed that the fundamental purpose of every credit union organization was to help people, we are sure that he would have been most impressed by the help CUNA Mutual has rendered to credit union families over the years through the payment of claims on behalf of deceased and disabled members. This, after all, was why CUNA Mutual was created.

The Society from its beginning until the end of 1967 had paid claims totaling over a half billion dollars on the lives of nearly one million credit union members.

The amount of such assistance to credit union families has been increasing consistently in both volume and variety over the years. During 1967, for example, claims and other benefits totaling \$67,674,591 were paid on behalf of 88,992 credit union members. This represented an increase of 7,541 claims and \$6,880,874 over the amount paid in 1966.

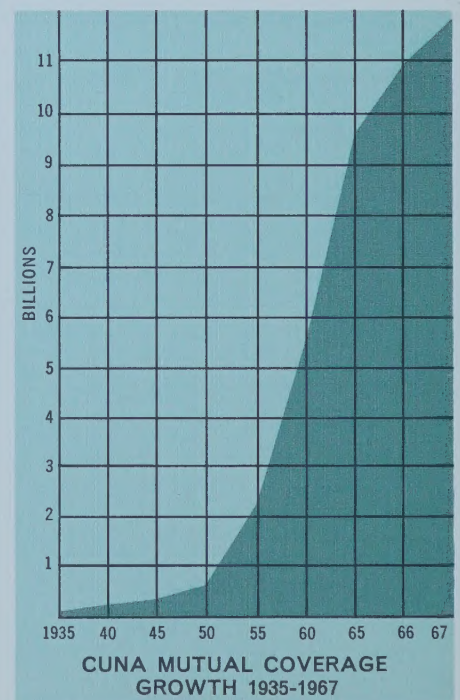
And the amount paid in claims does not represent the total benefits returned by CUNA Mutual to policyowners. From its beginning up to the end of 1967, the Society had returned nearly one hundred million in dividends to policyowners. The total on 1967 operations amounted to \$8,710,453.

There have been vast changes in CUNA Mutual's method and scope of operations since Mr. Filene and other credit union pioneers launched the Society in 1935 in one room of a converted residence at Madison, Wis. in which it shared quarters with the Credit Union

National Association. The variety of insurance services has been expanded greatly from the simple Loan Protection contract that it first provided. Its facilities and staff now occupy three modern office buildings — the Home Office at Madison, the Western Office at Pomona, California, and the Canadian Headquarters Office at Hamilton, Ontario.

The scope of CUNA Mutual operations has also been expanded to the point where it is today a truly international organization with policyowners in every state in the United States, every province of Canada, and in 36 overseas areas located in the farthest corners of the world. Compared to the staff of two who began the Society's operations, CUNA Mutual had more than 700 employees at the end of 1967 working in its three offices, in its field force and agencies throughout the United States and Canada, and in overseas areas ranging from the Caribbean and South America to Australia.

Great as it has been, we don't believe that this growth would have surprised Mr. Filene. His confidence in the future of the credit union movement and its institutions was unlimited, and he expected that they would be able to adapt to changing conditions and greater responsibilities. He gave us this philosophy of credit union progress when he wrote:



"To discover the responsibilities of this new epoch, and to act in accordance with those responsibilities, is the most practical and the most important problem which now confronts us."

Much of the credit for CUNA Mutual's successful results in 1967 stem directly from the Society's constant effort to discover the new responsibilities and needs of credit unions and their members, and to help them meet them.

This was apparent in the outstanding performance of our Field Operations and Agency Departments, both of which had record sales results during 1967. Field Operations, working closely with credit unions and other staff departments, devised and implemented new contracts and programs to serve the changing needs of our policyowner credit unions. As a result, new premium income from Loan Protection and Life Savings contracts sales during the year was 46 percent higher than for 1966. The Agency Department, our youngest sales department, continued to demonstrate the need and desire of credit union members for greater individual insurance protection by providing \$62,783,000 of coverage on the lives of more than 6,500 credit union members. This was an increase of 64 percent over 1966.

And no aspect of CUNA Mutual's operations during 1967 probably demonstrated the Society's continued determination and capacity to meet the new responsibilities of change more emphatically than its development of the Credit Union Package of Protection in cooperation with CUMIS Insurance Society, our property and casualty affiliate. The highly favorable acceptance of this new service by leagues and credit unions alike indicates that it may ultimately prove as significant to credit unions as CUNA Mutual's development and pioneering of Loan Protection and Life Savings insurance.

As an advocate of cooperation by credit union people and organizations, we believe that Mr. Filene would be equally impressed at the cooperation CUNA Mutual continued to give and receive during 1967 in the building of a larger and stronger credit union movement. He would have understood the importance of the League Assistance Program under which CUNA Mutual provided financial assistance to a total of

33 leagues during the year for the organization of new credit unions and the strengthening of existing credit unions. The 393 credit unions organized under this program in 1967 has brought the grand total to date to more than a thousand new credit unions.

As a firm exponent of mutuality and member participation in all credit union institution, we believe that Mr. Filene would have been much impressed with our Policyowners' Representatives Program and the two-way communications bridge that it has provided between CUNA Mutual and its policyowners the past 11 years. His faith in the desire and capacity of credit union people to cooperate in the attainment of common goals was reaffirmed emphatically during 1967 when every league area in the United States and Canada was represented at CUNA Mutual's annual POR Home Office Conference.

There has been no lessening over the years in CUNA Mutual's determination and effort to maintain this spirit of true mutuality and cooperation in its relationship with policyowners and all segments of the credit union movement. During 1967, for example, the Board of Directors approved a revision in the POR program to increase the number of representatives from each league area to attend the annual Home Office Conference. It also voted to recommend to policyowners at the next Biennial General Election meeting in May, 1968, that the Board be increased to 15 members to make more effective representation possible within our greatly enlarged policyowner group.

These are the unique objectives of every credit union institution which distinguish them from ordinary commercial enterprises.

As Mr. Filene once wrote:

"The greater challenge to credit unionism is to establish throughout our whole world of finance, the principles of mutuality, of cooperation, of simple direct human service."

These were still the distinguishing objectives and characteristics of CUNA Mutual Insurance Society throughout its 32nd year of operations. That is why we are deeply proud to submit this 1967 Annual Report to all of our policyowners and the organizations of the united credit union movement. We believe that Mr. Filene would have been just as proud of its contents.



P. D. Deaton
Chairman of the Board



J. E. Eikel, Jr.
President

FINANCIAL STATEMENT

of the CUNA Mutual Insurance Society

Balance Sheet as of December 31, 1967 condensed

from the reports filed with the Wisconsin Insurance Department

ASSETS

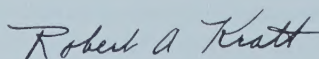
	1967	1966
United States Bonds	\$ 5,522,180.91	\$ 9,006,910.50
Bonds of Canada and Other Countries	10,453,881.15	10,223,366.71
Public Utility and Railroad Bonds	11,845,830.40	8,733,899.03
Total Bonds	\$27,821,892.46	\$27,964,176.24
Stock of CUMIS Insurance Society	\$ 1,995,799.59	\$ 1,899,547.53
First Mortgage Loans	16,335,883.61	15,831,100.81
Home Office Building	2,603,048.49	2,659,292.99
Canadian Office Buildings	1,533,771.66	1,377,216.34
Pomona Office Building	945,441.19	624,462.66
Loans to Policyowners	769,124.88	634,824.04
Cash and Bank Deposits	6,644,745.56	2,988,181.74
Premiums Due	8,611,535.90	7,587,599.21
Interest Due and Accrued	588,776.87	635,372.03
Other Invested Assets	353,900.00	— 0 —
Total	\$68,203,920.21	\$62,201,773.59

LIABILITIES

Policy Reserves	\$28,472,543.91	\$26,256,351.55
Dividends	8,811,867.00	9,725,809.00
Policyowner Funds	2,178,467.20	1,520,748.76
Premium Deposits	3,303,846.00	1,487,977.14
Outstanding Claims	12,997,682.00	11,861,101.00
Taxes Payable	1,568,948.80	1,519,953.21
Accounts Payable	335,547.65	281,094.78
Special Surplus	731,174.00	557,584.00
Surplus	9,803,843.65	8,991,154.15
Total	\$68,203,920.21	\$62,201,773.59

TREASURER'S STATEMENT

The 1967 financial statement of CUNA Mutual Insurance Society has been prepared in conformity with insurance accounting principles as prescribed by law. This statement reflects high standards of service, protection, and payments to credit union people.

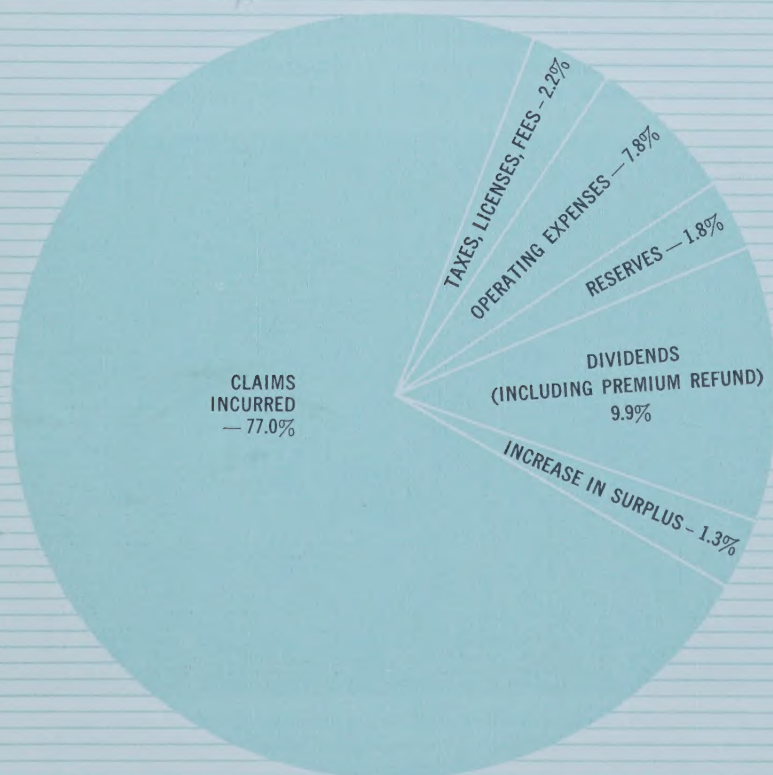


Robert A. Kratt
Treasurer

SUMMARY OF OPERATIONS

	1967	1966
Coverage	\$11,861,578,293.00	\$10,923,620,756.00
Premium Income	89,329,254.88	82,142,681.30
Investment and Other Income	3,992,937.24	2,594,148.63
Total Income	93,322,192.12	84,736,829.93
Claims	67,674,591.48	60,793,716.80
Operating Expense	9,891,175.41	8,744,115.43
Taxes	2,009,574.04	2,081,712.71
Increase in Reserve and Non Admitted Assets	4,223,708.37	2,183,860.41
Dividends	8,710,453.32	9,797,807.28
To Surplus	812,689.50	1,135,617.30

1967 INCOME DISTRIBUTION — LOAN PROTECTION AND LIFE SAVINGS CONTRACTS



CANADIAN REVIEW

The partnership in protection CUNA Mutual shares with the credit union movement in Canada grew considerably in 1967. This was made clear during the year when the Society's total insurance in force in Canada reached \$1,559,820,780, an increase of \$136,592,725 for the year.

CUNA Mutual is now providing a blanket of protection to approximately one and a half million Canadian credit union borrowers and shareowners through more than 5,740 group contracts. In addition, more than 23,000 individual life insurance contracts are providing about \$122 million in added security for Canadian credit union members and their families.

The coverage provided Canadian credit union members by CUNA Mutual has increased by 50 percent since 1964, which was the year the Society's insurance in force in Canada reached the one billion dollar mark.

The growth of the Society in Canada reflects, in large part, the long career of service given to CUNA Mutual and its affiliate, CUMIS, by C. Gordon Smith, who retired as Vice President of CUNA Mutual and CUMIS Insurance Societies in Canada, effective January 1, 1968.

Mr. Smith, known to many as "Mr. Credit Union of Canada," started CUNA Mutual's Canadian operation

in his home in 1937 and saw it grow to become the 16th largest insurance company in Canada from the standpoint of insurance coverage in force.

His role in building credit unions as a major social and economic force in Canada was cited by top credit union and government officials from both Canada and the United States at a Recognition Dinner in Mr. Smith's honor held January 20 at Hamilton, Ontario.

One of the many messages honoring Mr. Smith came from J. Deane Gannon, director of the U. S. Bureau of Federal Credit Unions, who wrote:

"Your career of service to your fellow man through credit unions is one of the most outstanding examples of the importance of the volunteer spirit in the movement. I think the reason you have achieved so much is that the volunteer spirit has never waned in you."

"When you started in the credit union movement, in 1936, the idea of credit unions in Canada was very new and relatively untried. But today, there are literally thousands of credit unions in Canada, and CUNA Mutual Insurance coverage is nearing two billion dollars."

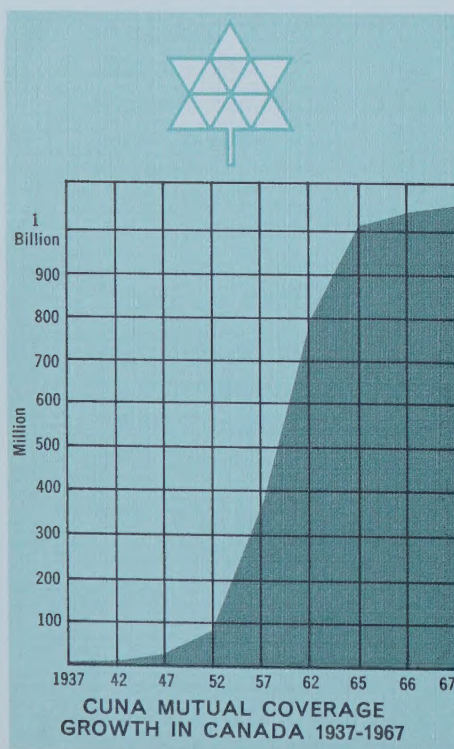
"It is truly staggering to realize that these accomplishments are due in large measure to your dedication and talent . . ."

The example of human service followed by Mr. Smith has been an inspiration to everyone at CUNA Mutual and CUMIS who have had the good fortune to be associated with him.

Appointed to succeed Mr. Smith as Vice President and General Manager for CUNA Mutual and CUMIS Canadian operations was J. L. Harvey Lanctot, Assistant General Manager since 1964 and a CUNA Mutual employee in Canada since 1956.

In 1967, CUNA Mutual paid 8,953 claims on behalf of Canadian credit union members totaling \$7,527,842. The Society's assets in Canada totaled \$15,708,954 at the end of the year. Every cent of CUNA Mutual's income in Canada remains in that nation. Reserves required by law, and surplus accumulated for the protection of the policyowners, are invested in the Canadian economy.

The entire CUNA Mutual and CUMIS organizations were proud in 1967 to join their Canadian partners in protection in the Centennial of Canadian Confederation. CUNA Mutual's special booklet, "Canadian Heritage," produced as part of the Society's observance of the Centennial, proved very popular. After initial distribution to all Canadian policyowners, requests for several thousand additional copies came from schools, libraries and government offices.



A portrait of C. Gordon Smith, Canadian credit union pioneer who retired on January 1, 1968, from his positions as vice president and general manager of CUNA Mutual and CUMIS operations in Canada, was commissioned by the Societies' Boards of Directors for hanging in the Canadian Office building. The library in the building has also been dedicated in his honor. Mr. Smith and his wife, Millie, are shown looking at the portrait.

INTERNATIONAL PROGRESS

The continued growth of CUNA Mutual's international service is illustrated by the fact that the Society's Loan Protection and Life Savings coverage in 34 overseas areas neared the 91 million dollar* mark in 1967.

Since the organization of CUNA Mutual's International Department late in 1962, CUNA Mutual's service to credit unions in overseas areas has more than tripled. Four hundred new Loan Protection and Life Savings contracts were issued to overseas credit unions in 1967, bringing the year-end total to 2,558, an increase of 19 percent during the year.

New areas to which service was extended last year include Lesotho, near the southern tip of Africa — where 28 credit unions are now protected with both Loan Protection and Life Savings insurance — and to the Solomon Islands in the Pacific where credit unions have recently been established.

The flexibility of the Society's international policy, and its adaptability to local conditions, is constantly permitting the addition of new service in a wide variety of areas, each with a different economy. The Loan Protection and Life Savings contracts have been translated, for example, into the Kiswahili language for use in

Tanzania and other East African countries.

The international program's goal has been to provide the credit union people of overseas nations with sound and valuable insurance services — tailored to their particular needs and desires — consistent with overall plans for the growth and progress of the credit union movement.

As a result, CUNA Mutual's international service now circles the globe, reaching from Ireland to Africa, throughout the Caribbean and Latin America, and across to the Pacific Region where the Society protects credit unions and their members in such distant points as New Zealand and the Fiji Islands.

An overseas League Assistance Program was initiated by CUNA Mutual in 1967 to help emerging credit union movements in other lands. This program will provide assistance to credit union movements in Hong Kong, Taiwan, Colombia, the Caribbean, the Fiji Islands, Ireland and New Zealand. It is anticipated that these areas will have an increase of over 650 credit unions and of nearly \$30 million in assets as a result of this three-year program.

Important steps were taken in 1967 to prepare for future international expansion. Requirements for registration in Northern Ireland were

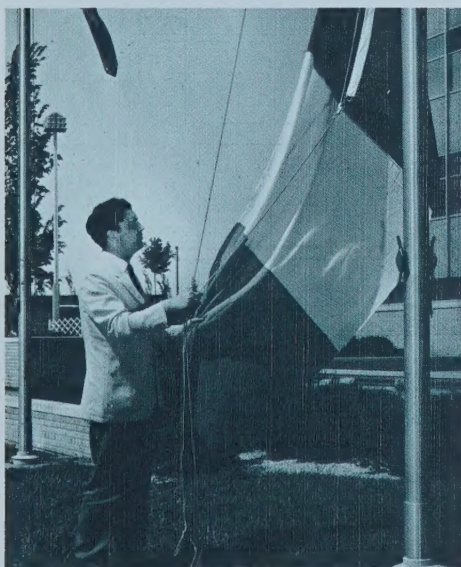
recently finalized. Registration in that country will help build relationships in several countries in the British Commonwealth, including Great Britain, where the credit union movement is starting to take hold.

Registration was successfully concluded in 1967 in Bolivia, Dominica, Grenada and under the new insurance legislation of Trinidad and Tobago.

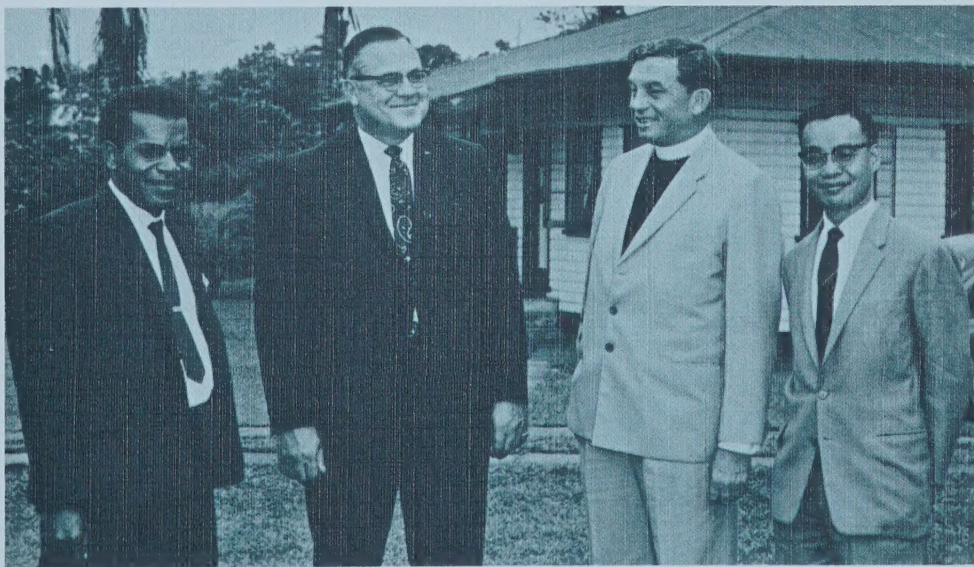
CUNA Mutual conducted its first Policyowners' Representatives Program on the South American continent in 1967. The representatives of 178 policyowner credit unions throughout Colombia attended the two-way communications program held in July at Bucaramanga, in Northern Colombia.

A pilot program in 1967 found part-time agents carrying \$800,000 in individual life insurance protection to credit union members in seven Caribbean countries. Ten credit union leaders, after attending a CUNA Mutual training program, served as the Society's part-time agents in the test project. The program will be expanded in 1968.

CUNA Mutual's experience in international areas provides additional proof of the credit union idea's ability to cross national boundaries and inspire programs of service to people everywhere.



The flag of Ireland was raised in June, 1967, on one of the flagpoles at the CUNA Mutual Home Office by John Hume, president of the Ireland Credit Union League. The flag was presented to CUNA Mutual by the Ireland League for its efforts bringing insurance services to credit unions in Ireland.



William Scogin, Sheffield, Alabama, vice chairman of the boards of directors of CUNA Mutual and CUMIS Insurance Societies, is shown above conferring with Pacific area credit union leaders in Fiji. Pictured (left to right) are Joane Naisara, managing director of the Fiji Credit Union League; Scogin; Father Marion Ganey, missionary founder of the Fiji credit union movement, and Andrew Ho, manager of the Hong Kong Credit Union League. Scogin attended the Fiji League annual meeting in September as part of a survey tour of the Pacific area.

*Represents devaluation to December 31, 1967, U. S. Currency Equivalent.

CUNA MUTUAL/CUMIS IN THE NEWS

(A) Vice President Hubert Humphrey is exuberant over the Texas-style hat and chaps presented to him by Pete Gooch, CUNA Mutual and CUMIS Board member and President of the Texas Credit Union League (right). Humphrey spoke at the 1967 annual meetings in Dallas, citing credit unions for their work in poverty areas and urging leaders to continue their efforts throughout the free world.

(B) George Meany, president of the AFL-CIO, was one of 13 distinguished Americans whose endorsements of credit unions was featured in the 1967 calendar of CUNA Mutual, "Great Tributes To Credit Unions." Mr. Meany is shown receiving his portrait featured in the calendar from Paul D. Deaton, CUNA Mutual Board Chairman. Standing at the right is William White, assistant managing director of the District of Columbia Credit Union League.

(C) His Eminence, Richard Cardinal Cushing of Boston, was another of the 13 distinguished Americans whose endorsement of credit unions was featured in CUNA Mutual's 1967 policyowner calendar. Cardinal Cushing is shown (left) receiving his original portrait painted for the calendar from Charles F. Eikel, Jr. (center) CUNA Mutual and CUMIS president, and Thomas Lowe managing director of the Massachusetts CUNA Credit Union Association.

(D) Participants in the Youth Round Table Conference sponsored by CUNA Mutual and CUMIS Insurance Societies in October are pictured in session at the CUNA Mutual-CUMIS Home Office in Madison, Wisconsin. National youth leaders and representatives of other organizations interested in youth joined with credit union leaders in the conference to determine answers to the question of: "How To Make Young People Aware of Their Financial Responsibilities." The conference moderator, Dr. James Cleary, vice chancellor for academic affairs at the University of Wisconsin, is shown standing.

(E) Statement of Policy adopted by the Boards of Directors of CUNA Mutual and CUMIS Insurance Societies at the May, 1967, Annual Meetings.



CUNA Mutual Insurance Society, the officially endorsed life insurance society of the credit union movement and its property and casualty affiliate, CUMIS Insurance Society, commit themselves to these basic policies:

STATEMENT OF POLICY

TO PROVIDE the best insurance protection for credit union members throughout the world.

TO MEET the changing needs of the credit union movement by developing new and improved forms of insurance at the lowest cost consistent with sound insurance practices.

TO KEEP policyowners well informed about CUNA Mutual and CUMIS and to seek the best method of providing the most democratic control possible by policyowners.

TO ADHERE to the credit union philosophy that unites credit unions, chapters, leagues and the international credit union organizations in a strong movement for the benefit of mankind.

CUNA MUTUAL INSURANCE SOCIETY
CUMIS INSURANCE SOCIETY, INC.

CUMIS REPORT TO SHAREHOLDERS

“All of the remarkable success which has come to credit unions has come to them not because they did things which were being done, but because they did things which were needed, and were not being done.”—Edward A. Filene

CUMIS Insurance Society turned a very important corner in 1967. Each year, since it was established in 1960 as CUNA Mutual's property and casualty affiliate, CUMIS has charted steady and good progress. The results for 1967, however, represented an outstanding advancement in this progress. CUMIS leaped ahead in 1967, finding acceptance and enthusiasm for its new programs as fast as they became available in the United States, Canada, and Australia.

CUMIS achievements in four major areas illustrate this progress:

- For the first time, premiums written by CUMIS annually exceeded one million dollars. They also doubled in a single year. This statistic reflects the many additional credit unions and their members attracted to CUMIS programs in 1967 and, equally important, the many credit unions who were satisfied with CUMIS service and renewed their contracts.
- The two new programs introduced in 1967, “The Credit Union Package of Protection,” and the new CUMIS Bond, met with outstanding success.
- Continued expansion found CUMIS licensed in 1967 to serve 40 states and the District of Columbia, in all ten Canadian provinces, and in all states of Australia. CUMIS also qualified to provide bond coverage in the Fiji Islands and the Trust Territories of the Pacific.
- Credit unions being served by CUMIS increased by 66 percent during the year. On December 31, CUMIS was serving a total of 4,077 credit unions.

The CUMIS Bond and the “Credit Union Package of Protection,” were first offered in February, 1967, but weren't really widely available until the second half of the year. The results in this short time allow only one possible conclusion: the comprehensive and easy-to-administer package, and the unique CUMIS

Bond, are obviously on target as instruments of credit union service. CUNA Mutual and CUMIS felt that the Package of Protection is the most important development in the field of credit union insurance service since CUNA Mutual pioneered Loan Protection and Life Savings insurance in the 1930's. The 1967 results show that many credit union people have examined the package and given the same verdict.

By the end of 1967, in a period of ten months, the directors and officers of close to 1,000 credit unions had examined the new CUNA Mutual-CUMIS Package of Protection and selected it to cover their needs. The exact year-end count was 970 credit unions. This included 831 in the United States, 102 in Canada, and 37 in Australia.

The CUMIS Bond, likewise, earned the same good acceptance. By the end of 1967 a total of 1,522 credit unions had chosen the protection of the CUMIS Bond. These figures tell, in the best way possible, that the CUMIS Bond is designed and geared for the credit union operation.

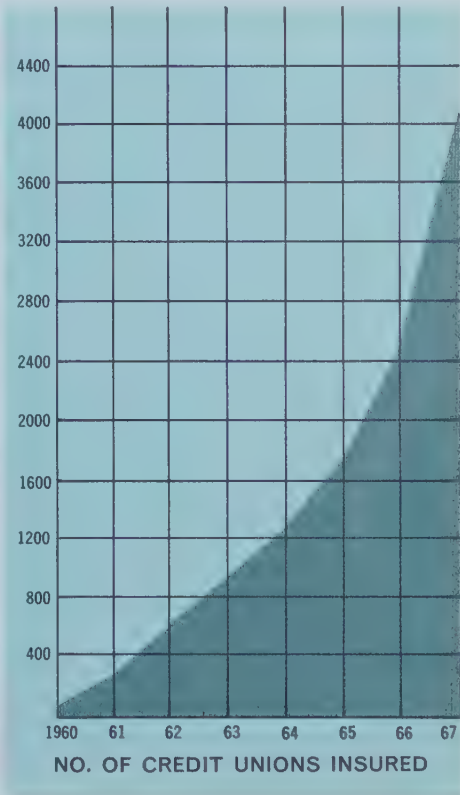
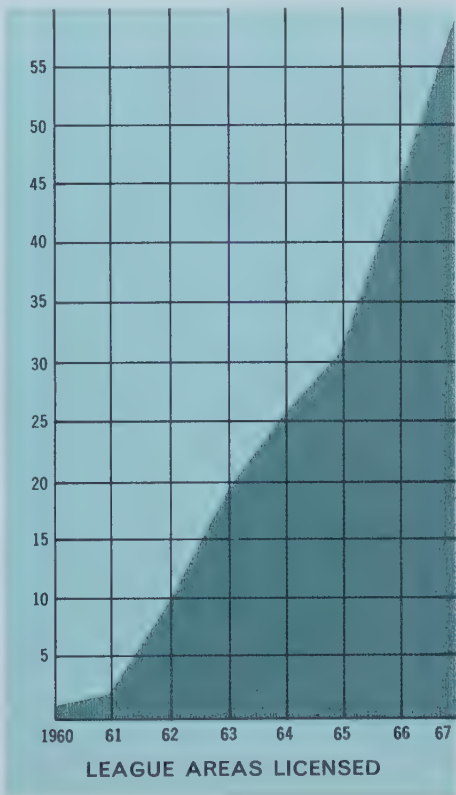
At year-end, the Package of Protection had been approved by the Insurance Departments in 27 states and the District of Columbia,

Canada and Australia. The Bond had been approved in 29 states, Fiji and the Trust Territories in addition to Canada and Australia.

The Financial Statement and Summary of Operations on the following page of this report provide detailed information about our operations in 1967. Examination of these statements makes it apparent that CUMIS has made gains in all areas, including premiums written, underwriting expenses and net gain from operations, which were the best achieved by CUMIS to date.

Admitted assets of CUMIS Insurance Society on December 31, 1967, totaled \$5,166,324, an increase of \$705,930 during the year. This compares with assets of \$3.7 million at the close of 1965 and \$2.1 million at the end of 1964. This growth in assets illustrates the increased financial and service capabilities of CUMIS, and also reflects the faith and confidence of the many credit union people and organizations who have joined CUNA Mutual in the stock ownership of CUMIS.

After reviewing 1967 results, the CUMIS Board of Directors was proud and pleased to declare the Society's second annual dividend. CUMIS directors voted a dividend of 35 cents



per share to be paid March 15, 1968 to stockholders of record as of February 8, 1968.

The stock sale started in 1965 to give CUMIS the financial strength needed to qualify for service throughout the U. S. and Canada, and overseas, was concluded in April, 1967. CUMIS has 174,305 shares of stock outstanding. The CUMIS ownership family includes, in addition to CUNA Mutual, 17 Credit Union Leagues, 28 Chapters, 351 Credit Unions, and 3,141 individual credit union members.

CUMIS registered important growth in all service lines in 1967. In addition to the fine acceptance of the package and the CUMIS Bond, another very encouraging aspect of CUMIS service last year was the increase in the use of the CUMIS Homeowners Policy. CUMIS issued 2,073 Homeowners Policies in 1967, representing a gain of 107 percent.

There were many other high points for CUMIS in 1967. The Society's start in Australia — an area of great potential for the entire credit union movement — ranks near the top. By the end of the year, 62 Australian credit unions were CUMIS policyholders and more than half of these had the coverage of the Package of Protection, representing the most modern and complete form of credit

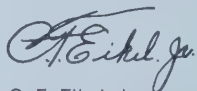
union insurance protection. Both CUNA Mutual and CUMIS were honored when the Australian Federation of Credit Union Leagues endorsed them as the life and casualty societies of the Australian credit union movement.

Field service was further sharpened in 1967. Teamed together, CUNA Mutual and CUMIS have developed an unbeatable combination for constantly improved credit union service and the finest in multiple-line insurance counseling.

CUMIS is an organization dedicated to serving and concentrating all of its attention on the credit unions and their members. It has, in seven years, demonstrated the capacity to become an important part of the credit union service picture. The programs designed by CUMIS to serve the specific needs of credit unions and their members are showing exceptional use and value. This is reflected in the growth statistics of CUMIS presented in this Annual Report.



J. D. Nelson MacDonald
Chairman of the Board



C. F. Eikel, Jr.
President



Rev. J. D. N. MacDonald, Chairman of the Board, (Left), C. F. Eikel, Jr., President, (Right).

FINANCIAL STATEMENT

of the CUMIS Insurance Society, Inc.

Balance Sheet as of December 31, 1967, condensed from
the reports filed with the Wisconsin Insurance Department

ASSETS

	1967	1966
Bonds	\$4,334,382.27	\$3,974,099.50
Stocks	664,147.00	238,676.00
Cash	20,138.65	112,304.29
Uncollected Premium	88,246.54	22,172.90
Due from Reinsurer	8,637.69	60,834.28
Interest Due and Accrued	50,772.00	52,306.75
Total	\$5,166,324.15	\$4,460,393.72

LIABILITIES, CAPITAL AND SURPLUS

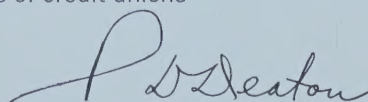
Reserve for Losses	\$81,944.72	\$54,300.62
Reserve for Loss Adjustment	8,100.00	4,235.41
Unearned Premium Reserve	406,697.48	273,436.68
Accounts Payable	11,800.00	11,725.19
Taxes Payable	133,796.18	102,447.74
Statutory Reserve	155,672.35	99,882.79
Advance Premiums	547.39	3,716.56
Foreign Exchange Liability	62,347.65	51,310.31
Total Liabilities	\$860,905.77	\$601,055.30
Capital Stock	\$1,394,440.00	\$1,292,736.00
Paid in Surplus	2,773,689.99	2,557,568.99
Treasury Stock	— 0 —	(43,975.00)
Earned Surplus	137,288.39	53,008.43
Total Capital and Surplus	\$4,305,418.38	\$3,859,338.42
Total Liabilities, Capital and Surplus	\$5,166,324.15	\$4,460,393.72

SUMMARY OF OPERATIONS

	1967	1966
Premium Written Net	\$766,734.43	\$444,220.38
Increase in Unearned Premium Reserve	133,260.80	45,844.06
Premiums Earned	633,473.63	398,376.32
Loss and Loss Adjustment Expense Incurred	130,788.69	83,249.60
Balance	502,684.94	315,126.72
Underwriting Expense	424,477.31	282,848.75
Underwriting Gain (Loss)	78,207.63	32,277.97
Net Investment Income	195,519.26	181,171.95
Other Expense	3,033.89	— 0 —
Net Gain Before Federal Income Taxes	\$270,693.00	\$213,449.92
Federal Income Taxes	112,919.92	90,047.21
Net Gain	\$157,773.08	\$123,402.71

TREASURER'S STATEMENT

The CUMIS Insurance Society, Inc., 1967 financial statement has been prepared in conformity with insurance accounting principles as prescribed by law. The statement reflects the increasing growth and service of CUMIS in meeting the property and casualty needs of credit unions and their members.



Paul D. Deaton
Treasurer

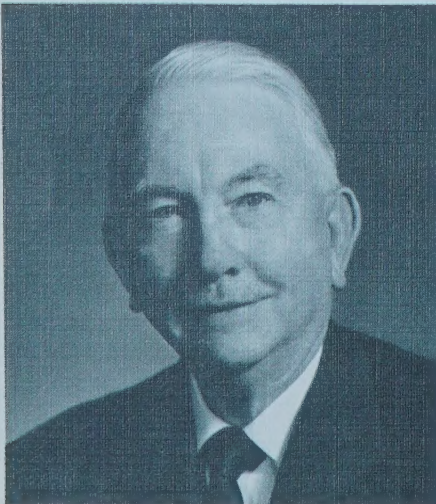
WILLIAM REID'S LONG SERVICE

The New York Times, in an editorial dated March 5, 1966, recognized "William Reid's Long Service," as an outstanding public servant. The editorial was a well-deserved tribute to Mr. Reid, who had been awarded New York City's Gold Medal of Honor for 50 years of outstanding public service, including positions as deputy mayor and Chairman of the New York City Housing Authority.

An equally distinguished credit union career drew to a close for Mr. Reid when, for reasons of ill health, he resigned from the CUNA Mutual and CUMIS Boards of Directors in August, 1967. Mr. Reid devoted nearly half a century of voluntary service to the credit union idea at the local, state, national and international levels, serving as president of CUNA, CUNA Mutual and the New York Credit Union League.

Mr. Reid played a key role in guiding the progress of CUNA Mutual and CUMIS. He served as a director of CUNA Mutual continuously for more than 28 years and served as President of the Society from 1951 to 1953. He was the first Chairman of the Board of Directors of CUMIS from 1960 to 1964.

The CUNA Mutual and CUMIS Boards, in a resolution adopted at their August meetings, expressed their "genuine feeling of loss upon the retirement from its membership of this man who personifies the volunteer spirit of the credit union movement perhaps more than any other man who has ever lived."



PAUL D. DEATON



J. D. N. MacDonald



WILLIAM SCOGIN



P. G. GOOCH



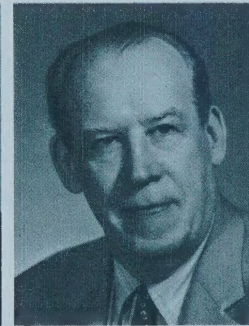
ROBERT A. KRATT



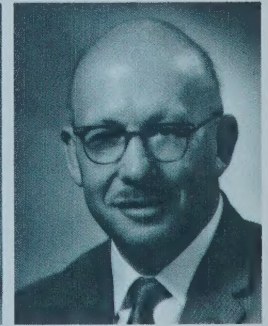
AL J. DAY



W. G. LONERGAN



WILLIAM W. PRATT



C. FRANK PRATT



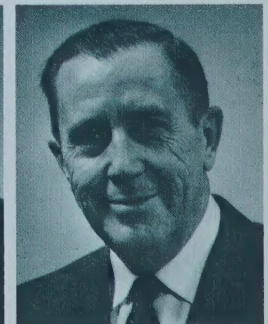
GEORGE A. SWALES



CHARLES W. JONES, JR.



JOSEPH FLANNERY



CLYDE DWYER

YOUR BOARD OF DIRECTORS

PAUL D. DEATON, Ohio
Chairman of the Board
CUNA Mutual Insurance Society
Treasurer
CUMIS Insurance Society, Inc.

J. D. N. MacDONALD, Nova Scotia
Chairman of the Board
CUMIS Insurance Society, Inc.
Director
CUNA Mutual Insurance Society

WILLIAM SCOGIN, Alabama
Vice Chairman of the Boards
CUNA Mutual Insurance Society
CUMIS Insurance Society, Inc.

P. G. GOOCH, Texas
Secretary
CUNA Mutual Insurance Society
Director
CUMIS Insurance Society, Inc.

ROBERT A. KRATT, Illinois
Treasurer
CUNA Mutual Insurance Society
Secretary
CUMIS Insurance Society, Inc.

AL J. DAY, Florida
Assistant Secretary
CUMIS Insurance Society, Inc.

W. G. LONERGAN, Washington
Director
CUNA Mutual Insurance Society
CUMIS Insurance Society, Inc.

WILLIAM W. PRATT, Pennsylvania
Director
CUNA Mutual Insurance Society
CUMIS Insurance Society, Inc.

C. FRANK PRATT, California
Director
CUNA Mutual Insurance Society
CUMIS Insurance Society, Inc.

GEORGE A. SWALES, Alberta
Director
CUNA Mutual Insurance Society
CUMIS Insurance Society, Inc.

CHARLES W. JONES, JR., South Carolina
Director
CUNA Mutual Insurance Society
CUMIS Insurance Society, Inc.

JOSEPH FLANNERY, New Jersey
Director
CUMIS Insurance Society, Inc.

CLYDE DWYER, Colorado
Director
CUMIS Insurance Society, Inc.

Two directors who served CUMIS Insurance Society with distinction retired in 1967 at the end of their terms on the Board of Directors. They were Fabian Monroe, former managing director of the Wisconsin Credit Union League, and John Helton, CUMIS Secretary and former Treasurer of CUNA International.

EXECUTIVE STAFF

CUNA MUTUAL INSURANCE SOCIETY

C. F. EIKEL, JR.
President and Managing Director

HENRY L. TIMME
Executive Vice President

M. F. GREGORY
Senior Vice President
Relations and Services

T. B. BENSON
Senior Vice President
Finance

ROBERT L. CURRY
Vice President—General Counsel

SAM B. HARPER, M.D.
Vice President—Medical Director

C. GORDON SMITH
Vice President and General Manager
Canadian Operations

VAUGHN E. LISCUM
Vice President and General Manager
Western Office

JOHN A. COLBY
Vice President—Insurance Relations
and Special Assistant to the President

J. R. COOPER
Vice President—Field Operations
Marketing and Sales

H. E. MANZER
Vice President—Agencies

CARLOS M. MATOS
Vice President—International Operations

O. H. EDGERTON
Vice President—Research and Development

J. M. SPARKMAN
Vice President—League and
Public Relations

R. T. PETERSON
Comptroller

WILLIAM R. BURNS
Actuary

C. C. COMPTON
Assistant Vice President—International

CUMIS INSURANCE SOCIETY, INC.

C. F. EIKEL, JR.
President

T. B. BENSON
Executive Vice President

JOHN T. HITT
Vice President and General Manager

HENRY L. TIMME
Vice President

M. F. GREGORY
Vice President

C. GORDON SMITH
Vice President and General Manager
Canadian Operations

R. T. PETERSON
Comptroller

CUNA MUTUAL INSURANCE SOCIETY CONSULTANTS

ROBERTS, BOARDMAN, SUHR & CURRY
Legal Counsel

HAIGHT, DAVIS & HAIGHT
Consulting Actuaries

HOUGHTON-TAPLICK & CO.
Auditors

DR. RICHARD M. HEINS
Insurance Consultant

BOZELL & JACOBS, INC.
Public Relations

YOUR INSURANCE SOCIETIES NEAR YOU

DISTRICT OFFICES

Eastern Region

L. B. HAYNES

Regional Manager

RICHARD ALLEN

District Manager

Lakeside Office Park

599 North Avenue

Wakefield, Massachusetts 01880

Connecticut	New York
Maine	Rhode Island
Massachusetts	Vermont
New Hampshire	

WILLIAM McKEOWN

District Manager

3410 White Avenue

Baltimore, Maryland 21214

Delaware	Virginia
Maryland	West Virginia
New Jersey	District of
Pennsylvania	Columbia

Central Region

A. C. WEBB

Regional Manager

RUSSELL BRAUN

District Manager

95 Sherburne Avenue — Suite 200

St. Paul, Minnesota 55103

Iowa	North Dakota
Minnesota	South Dakota
Nebraska	Wisconsin

GERALD WHIPPLE

District Manager

6525 West North Avenue — Suite 206

Oak Park, Illinois 60302

Indiana	Michigan
Kentucky	Ohio

JOHN RUTH

District Manager

3470 Hampton Avenue — Suite 113

St. Louis, Missouri 63139

Illinois	Missouri
Kansas	

Southern Region

R. L. SALTZMAN

Regional Manager

WILLIAM MacKENZIE

District Manager

6400 North Central Expressway — Room 500

Dallas, Texas 75206

Oklahoma	Texas
----------	-------

KELLY KING

District Manager

McGehee Office Building — Room 3

5341 Interstate 55 North

Jackson, Mississippi 39206

Alabama	Mississippi
Arkansas	Tennessee
Louisiana	

E. G. DOUBLET

District Manager

4040 Woodcock Drive — Suite 156

Jacksonville, Florida 32207

Florida	North Carolina
Georgia	South Carolina

Western Region

J. A. BURKE

Regional Manager

FRED KELLER

District Manager

Post Office Box 1098

Washington Credit Union League Building

15440 Bellevue-Redmond Road

Bellevue, Washington 98004

Alaska	Oregon
Idaho	Washington
Montana	

LE ROY KAY

District Manager

Post Office Box 15505

1706 Major Street

Salt Lake City, Utah 84115

Arizona	Utah
Colorado	Wyoming
New Mexico	

VINCENT AYLWARD

District Manager

656 South Garey

Pomona, California 91766

California	Nevada
Hawaii	

Canada

JOSEPH P. WALLNER

Regional Manager

Canada

JACK STUART

Assistant Regional Manager

Canada

JACK NEUFELD

District Manager

1027 West Broadway

Vancouver 9, B. C.

British Columbia

JIM PETERSON

District Manager

1410 1st Street S. W.

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Alberta	Manitoba
Saskatchewan	

WILF HAMMOND

District Manager

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Ontario

IRENEE MARCHAND

District Manager

255 Des Pinsons

Duvernay EST

Ville De Laval, Quebec

Quebec

DOUGALD MacDOUGALL

District Manager

2 Chrysler Avenue

Westphal, Halifax County

Nova Scotia

Nova Scotia	New Brunswick
Newfoundland	Prince Edward Island

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PH: 216-888-3733

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Granite City, Illinois 62040

PH: 618-TR7-7171

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2719 North Arlington

Indianapolis, Indiana 46218

PH: 317-547-5225

RAY KING, Supervisor

222 North Midvale Boulevard

Madison, Wisconsin 53705

PH: 608-238-8472

WILLIAM S. WISE, Supervisor

1600 Tullie Circle N. W. — Suite 140

Atlanta, Georgia 30329

PH: 404-634-6226 or 7

936 "N" Street — Suite C

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PHILLIP SKARPHO, Supervisor

14104 San Antonio Drive — Suite B

Norwalk, California 90650

PH: 213-868-6203 or 4 or 5

JAMES KELLY, Supervisor

Continental Terrace Building

2785 North Speer Boulevard — Suite 351

Denver, Colorado 80211

PH: 303-433-8296

GEORGE L. LAWSON, Supervisor

285 - 17th Street — Suite 322

Oakland, California 94612

PH: 415-893-3037

LESTER H. REED, Supervisor

San Diego Credit Union Center Building

5555 Mildred Street

San Diego, California 92110

PH: 714-298-0568 or 9

Canada

LEN T. WRIGHT, Supervisor

1410 1st Street S. W.

Calgary, Alberta

PH: 266-5983

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460 Main Street, East

Hamilton, Ontario

PH: 416-525-0781

CITES BABIN, Supervisor

1217 Barrington Street

Halifax, N. S.

PH: 429-0350

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Credit Union Drive

Toronto 16, Ontario

PH: 755-9229

KENNETH McLENNAN, Supervisor

1027 W. Broadway

Vancouver 9, British Columbia

PH: 736-6604

DOUGLAS G. ACKLAND, Supervisor

329 St. Mary's Road

St. Boniface, Manitoba

PH: 247-7470



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P. O. Box 391, Madison, Wisconsin • P. O. Box 2063, Pomona, California • P. O. Box 65, Hamilton, Ontario